

Town of Hardesty, Oklahoma

Independent Accountant's Report on
Applying Agreed-Upon Procedures

Year Ended June 30, 2022

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Independent Accountant's Report

To the Specified Users of the Report:

Board of Trustees of the Town of Hardesty
Hardesty, Oklahoma

Board of Trustees of the Hardesty Municipal Authority
Hardesty, Oklahoma

We have compiled the accompanying Statement of Changes in Fund Balances – Cash Basis of the Town of Hardesty and the Hardesty Municipal Authority for the year ended June 30, 2022, the Budgetary Comparison Schedule – Cash Basis – General Fund, and the Statement of Revenues, Expenses and Changes in Net Position – Cash Basis – Hardesty Municipal Authority and the Schedule of Grant Activity – Cash Basis for the year ended June 30, 2022, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma applicable to municipalities and the presentation requirements prescribed in Oklahoma Statutes §11-17-105-.107 and §60-180-1-.3. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or any other form of assurance about whether the financial statement is in accordance with the form prescribed by Oklahoma Statutes, which is a basis of accounting other than accounting principles generally accepted in the United States of America in the United States.

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the form prescribed by Oklahoma Statutes and for designing, implementing, and maintaining internal control relevant to the preparation and fair representation of the financial statement.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statement prepared on the basis of accounting prescribed by Oklahoma Statutes. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town and Authority's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Report on Applying Agreed-Upon Procedures

We have performed the procedures enumerated on pages 3 - 5 for the year ended June 30, 2022, which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma, solely to assist the Town and

Municipal Authority in meeting its financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2022. Management of the Town of Hardesty and the Hardesty Municipal Authority is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the additional requirements prescribed in Oklahoma Statutes §11-17-105-.107 and §60-180-1-.3. The Town and Authority have agreed to and acknowledged that the procedures performed are appropriate to meet these intended purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and many not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Procedures and Findings:

As to the Town of Hardesty as of and for the fiscal year ended June 30, 2022:

1. **Procedures Performed:** From the Town's trial balances, we compiled a cash basis schedule of changes in fund balances for each fund (see page 6) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

2. **Procedures Performed:** From the Town's trial balances, we compiled a cash basis actual financial schedule for the General Fund (see page 7) and compared the actual expenditures reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: No instances of noncompliance were noted.

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No instances of noncompliance were noted.

4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits at the end of each month.

Findings: The Town had no uninsured deposits at the end of each month in fiscal year ending June 30, 2022.

5. **Procedures Performed:** We compared the Town's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted.

6. **Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

7. **Procedures Performed:** A search for Town debt agreements was performed to identify any contractually required reserve balances and debt service coverage requirements of bond indentures for the purpose of determining contract compliance.

Findings: The Town had no debt, therefore no debt service coverage requirements of bond indentures were evaluated for compliance.

As to the Hardesty Municipal Authority as of and for the fiscal year ended June 30, 2022:

1. **Procedures Performed:** From the Authority's trial balances, we compiled a schedule of revenues, expenses and changes in fund balances - cash basis for the Authority (see page 8) and compare the schedule results to the applicable trust prohibitions for creating net asset deficits to report any noted instance of noncompliance.

Findings: No instances of noncompliance noted.

2. **Procedures Performed:** We agreed the Authority's material bank account balances to bank statements, and trace the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No instances of noncompliance were noted.

3. **Procedures Performed:** We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits at the end of each month.

Findings: The Authority had no uninsured deposits at the end of each month in fiscal year ending June 30, 2022.

4. **Procedures Performed:** We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted.

5. **Procedures Performed:** We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances on noncompliance.

Findings: No instances of noncompliance were noted.

6. **Procedures Performed:** A search for the Authority's debt agreements was performed to identify any contractually required reserve balances and debt service coverage requirements of bond indentures for the purpose of determining contract compliance.

Findings: No instances of noncompliance were noted.

As to the Town of Hardesty and Hardesty Municipal Authority grant programs, as of and for the fiscal year ended June 30, 2022:

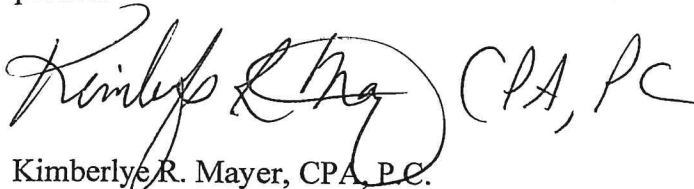
1. **Procedures Performed:** From the Town and Authority's trial balances, we compiled a schedule of grant activity for each grant/contract (see page 9) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreements.

Findings: No instances of noncompliance were noted.

We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town and the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Kimberley R. Mayer", followed by the text "CPA, P.C." in a similar handwritten style.

Kimberley R. Mayer, CPA, P.C.
December 30, 2022

TOWN OF HARDESTY, OKLAHOMA
STATEMENT OF CHANGES IN FUND BALANCES
CASH BASIS
YEAR ENDED JUNE 30, 2022

	Fund Balances <u>6/30/21</u>	<u>Change</u>	Fund Balances <u>6/30/22</u>
TOWN:			
General Fund	\$ 130,270	\$ (41,606)	\$ 88,664
Town Subtotal	<u>130,270</u>	<u>(41,606)</u>	<u>88,664</u>
 MUNICIPAL AUTHORITY:			
Hardesty Municipal Authority	<u>154,278</u>	<u>(38,190)</u>	<u>116,088</u>
Total Municipal Authority	<u>154,278</u>	<u>(38,190)</u>	<u>116,088</u>
 TOWN TOTALS	 <u><u>\$ 284,548</u></u>	 <u><u>\$ (79,796)</u></u>	 <u><u>\$ 204,752</u></u>

TOWN OF HARDESTY, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Final Budget
	Original	Final	Amounts	Positive (Negative)
Beginning budgetary fund balance	\$ 130,270	\$ 130,270	\$ 130,270	\$
Resources (Inflows):				
Sales tax	28,500	28,500	24,083	(4,417)
Cigarette tax	220	220	196	(24)
Franchise taxes	3,690	3,690	4,303	613
Gas excise tax	350	350	223	(127)
Alcoholic beverage tax	4,500	4,500	6,628	2,128
Motor vehicle tax	1,400	1,400	2,156	756
Use tax	11,000	11,000	12,915	1,915
Interest income	100	100	68	(32)
Court fees	100	100	216	116
Fire department donations	1,500	1,500	4,100	2,600
Grants	87,800	87,800	71,013	(16,787)
Code Enforcement	5,000	5,000		(5,000)
Other revenues	1,200	1,200	3,017	1,817
Total Resources	<u>145,360</u>	<u>145,360</u>	<u>128,918</u>	<u>(16,442)</u>
Charges (Outflows):				
General Government:				
Personnel services	20,370	20,370	29,460	(9,090)
Materials and supplies	1,000	1,000	1,806	(806)
Other services and charges	19,000	19,000	26,570	(7,570)
Capital Outlay			28,574	(28,574)
Total General Government	<u>40,370</u>	<u>40,370</u>	<u>86,410</u>	<u>(46,040)</u>
Street and Alley:				
Materials and supplies	400	400	560	(160)
Capital Outlay			4,477	(4,477)
Total Street and Alley	<u>400</u>	<u>400</u>	<u>5,037</u>	<u>(4,637)</u>
Fire Department:				
Materials and supplies	4,800	4,800	12,423	(7,623)
Other services and charges	2,400	2,400	3,443	(1,043)
Capital Outlay			1,011	(1,011)
Total Street and Alley	<u>7,200</u>	<u>7,200</u>	<u>16,877</u>	<u>(9,677)</u>
Grants	<u>50,000</u>	<u>50,000</u>	<u>65,000</u>	<u>(15,000)</u>
Total Charges	<u>97,970</u>	<u>97,970</u>	<u>173,324</u>	<u>(75,354)</u>
Transfer in (out)	<u>(38,700)</u>	<u>(38,700)</u>	<u>2,800</u>	<u>41,500</u>
Ending budgetary fund balance	<u>\$ 138,960</u>	<u>\$ 138,960</u>	<u>\$ 88,664</u>	<u>\$ (50,296)</u>

TOWN OF HARDESTY, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - CASH BASIS
HARDESTY MUNICIPAL AUTHORITY
YEAR ENDED JUNE 30, 2022

Operating Revenues:

Charges for services:

Water	\$ 50,388
Sewer	26,259
Sanitation	35,881
Gas	91,697
Late fees	5,642
Other income	694
Total Operating Revenues	<u>210,561</u>

Operating Expenses:

Water	80,953
Sewer	50,195
Sanitation	29,418
Gas	72,713
Total Operating Expenses	<u>233,279</u>

Operating income (loss)	(22,718)
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Non-Operating Revenues (Expenses)

Interest income	122
Grant revenue	
Principal payments	(7,949)
Interest expense:	
Water	(2,945)
Sewer	(3,241)
Grant expenditures	
Decrease (increase) in meter deposits	1,700
(Decrease) increase in deposit account	1,706
Total Non-Operating Revenues (Expenses)	<u>(10,607)</u>

Net Income (Loss) Before Transfers	(33,325)
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Transfers in (out)	(3,414)
Transfers to reserve account	<u>(1,451)</u>

Change in Net Position	(38,190)
Net Position, beginning of year	154,278
Net Position, end of year	<u><u>\$ 116,088</u></u>

TOWN OF HARDESTY, OKLAHOMA
SCHEDULE OF GRANT ACTIVITY
CASH BASIS
YEAR ENDED JUNE 30, 2022

<u>Grantor</u>	<u>Award Amount</u>	<u>Amount Received</u>	<u>Amount Disbursed</u>	<u>Amount Unexpended</u>
State Department of Agriculture	\$ 4,763	\$ 4,763	\$ 4,763	\$
Oklahoma Economic Development Authority:				
2022 Reap Fund #TX22-2	\$ 65,000	\$ 65,000	\$ 65,000	